

NOV 28 2007

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of

Friends of Jack Orchulli and
Jack Orchulli, in his official capacity
as treasurer

Jack Orchulli

MUR 5728

2007 NOV 28 P 3 05

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FEDERAL ELECTION
COMMISSION
SECRETARIAT

GENERAL COUNSEL'S REPORT #3

I. ACTIONS RECOMMENDED

Authorize the Office of General Counsel to file suit against Jack Orchulli and Friends of Jack Orchulli and Jack Orchulli, in his official capacity as treasurer, to enforce the Act

II. BACKGROUND

On August 29, 2007, the Commission found probable cause to believe that Jack Orchulli, a 2004 candidate for the United States Senate from Connecticut, and Friends of Jack Orchulli and Jack Orchulli, in his official capacity as treasurer, violated the reporting requirements set forth under the "Millionaires' Amendment" of the Bipartisan Campaign Finance Reform Act of 2002. Specifically, the Commission found probable cause to believe that Friends of Jack Orchulli and Jack Orchulli, in his official capacity as treasurer (the "Committee"), violated 2 U S C §§ 434(a)(6)(B)(iii) and (iv) and 11 C F R §§ 400 21(a) and 400 22(a) by failing to timely file an initial 24-Hour Notice of Expenditure from Candidate's Personal Funds ("FEC Form 10") and failing to timely file three subsequent FEC Form 10s when the candidate's additional personal loans to the Committee exceeded \$10,000. Because the Millionaires' Amendment imposes certain obligations on self-financed candidates, the Commission also found probable cause to believe that Jack Orchulli, as the candidate, violated 2 U S C

[REDACTED]

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1 § 434(a)(6)(B)(iii) by failing to timely file the initial FEC Form 10 and three subsequent FEC

2 Form 10s. Finally, the Commission authorized probable cause conciliation [REDACTED]

3 [REDACTED]

4 The bases for the Commission's findings were a review of the probable cause brief

5 outlining the Committee's failure to file the Form 10s in a timely manner, and a review of

6 Respondents' reply to the probable cause brief in which they acknowledged that the Form 10s

7 were filed late. As a result, the Commission concluded that Mr. Orchulli and the Committee

8 failed to file an FEC Form 10 within 24 hours of exceeding the \$511,840 personal expenditures

9 reporting threshold. In addition, the Commission concluded that Mr. Orchulli and the

10 Committee untimely filed three additional FEC Form 10s regarding loans in excess of \$10,000

11 made by Mr. Orchulli to the Committee on September 13, 2004, September 16, 2004 and

12 October 11, 2004, in the amounts of \$250,000, \$100,000, and \$150,000, respectively. On

13 October 22, 2004, the Committee filed the initial FEC Form 10 and the three additional FEC

14 Form 10s, which were 120 days, 38 days, 35 days and 10 days late, respectively. These facts are

15 not in dispute.

16 **III. SUIT AUTHORITY**

17 On August 29, 2007, we notified Mr. Orchulli, who is representing himself and the

18 Committee, of the Commission's probable cause findings [REDACTED]

19 [REDACTED]

20 [REDACTED] At that time, he reiterated the same arguments that he had made at the pre-

21 probable cause stage and in his response to the General Counsel's Brief that there was no intent o

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1 violate the law, that his opponent far outspent him. [REDACTED] 1

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED] Accordingly, we recommend that the Commission

1 [REDACTED]

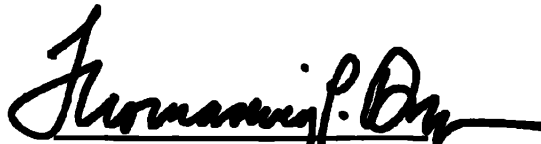
2 [REDACTED]


1 authorize the Office of General Counsel to file suit against Jack Orchull and Friends of Jack
2 Orchull and Jack Orchull, in his official capacity as treasurer

3 **IV. GENERAL COUNSEL'S RECOMMENDATIONS**

- 4 1 Authorize the Office of General Counsel to file suit against Jack Orchull and
5 Friends of Jack Orchull and Jack Orchull, in his official capacity as treasurer
6
7 2 Approve the appropriate letter

8
9
10 11/28/2007
11 Date

12 
13 Thomasenia P. Duncan
14 General Counsel

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16 Ann Marie Terzaken
17 Associate General Counsel
18 for Enforcement

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20 Susan L. Lebeaux
21 Assistant General Counsel

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23 Delbert K. Rigby
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